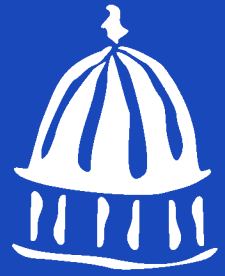


# THE BUSH AGENDA

**PUTTING SPECIAL INTERESTS FIRST**



DEMOCRATIC  
POLICY  
COMMITTEE

**AUGUST 2, 2001**



# SPECIAL REPORT

## **PRESIDENT BUSH'S AGENDA: PUTTING SPECIAL INTERESTS FIRST**

President Bush promised to work in a bipartisan way to get things done for America's families. Now at the August break, it is time to take stock of how he has done. One way to analyze that is the number of bills he has signed. As of July 27, Bush has worked with Congress to enact a total of 20 bills. This is the fewest number of bills signed at this point in the Congress (over the past 38 years, except for 1995).

Of the 20 bills, the "highlights" include:

- the massive tax cut for the wealthy that has drained the budget surplus;
- the repeal of worker safety regulations ergonomics;
- a supplemental funding bill which was late in coming and not really sufficient to meet the needs of the military.

The remaining 17 bills were minor and non-controversial measures that passed the House by voice vote or under suspension of the rules.

Why has so little gotten done? President Bush rather than being a different kind of Republican, has followed the traditional GOP agenda. Specifically, his policies are out of step with most Americans and dictated by the special interests that have funded his campaign. In fact, if you look at each of the major issues, it is clear that Bush has sided with the special interests over America's families.

Never before has an administration been so beholden to its biggest donors, something Bush's policy proposals reflect. Instead of an energy plan that balances conservation with production, the Bush energy plan was a blatant giveaway to the oil and gas special interests. Bush has promised to veto the publicly popular and bipartisan Patients' Bill of Rights as a payback to his friends in the HMO industry. Bush has chosen the financial services industries over seniors through his Social Security privatization proposal. Bush has squandered the budget surplus on his massive tax cut for the wealthy. Bush's latest prescription drug proposal is wholly inadequate and designed for his pharmaceutical contributors in order to stop a real Medicare prescription drug plan for seniors. Bush's assaults on the environment have rewarded Big Oil, Big Timber, and other polluters that have filled GOP campaign coffers. And finally, Republican Leaders are fighting against campaign reform to ensure that Bush and the Republican party can continue to rake in millions as they sell out the public.

And the public knows that Bush is in the pocket of the special interests. Half of those polled said he's out of touch with the problems of ordinary Americans, and 67% said big business has too much influence over his policies. (*USA Today*, 7/13/01) This may explain why a new Zogby poll released this week shows George W. Bush's job approval rating has crashed below the 50% level for the first time in his presidency. The poll shows Bush to have a 47% positive and 51% negative job performance rating.

Siding with the special interests has also caused trouble for President Bush in working with moderate Republicans – hindering his ability to get things done. Specifically, on drilling in national monuments and in the Gulf Coast, Bush's policies were overturned by Democrats and a handful of moderate Republicans in the House. Further, Republican moderates joined Democrats to overturn the President's effort to undo new regulations on arsenic in the water. On campaign reform, moderates rebelled against the GOP Leadership's tactics to kill the Shays-Meehan bill to end soft money. Moderates held up Bush's faith-based legislation, but ultimately let it go with promises to moderate the final version.

Finally, Bush and the Republican Leadership are out of step with the American people--siding with HMOs and the insurance industry over patients. This week, as Congress is about to adjourn, Bush and the Republican leaders used strong-arm tactics to try to torpedo a bipartisan and meaningful Patients' Bill of Rights supported by a bipartisan majority in both the House and the Senate. On energy, Republican House leaders are ramming through an energy plan, similar to President Bush's, in that it rewards big oil, while doing nothing for consumers or the environment. How moderate Republicans vote on these measures will dictate Bush's ability to control the agenda.

This problem with moderate Republicans became apparent with Sen. Jim Jeffords leaving the Republican party. As he left, he noted that the Republican party had become more conservative and less tolerant of dissent with the election of President Bush.

"Increasingly, I find myself in disagreement with my party. I understand that many people are more conservative than I am, and they form the party. Given the changing nature of the national party, it has become a struggle for our leaders to deal with me and for me to deal with them. Indeed, the party's electoral success has underscored the dilemma that I face within the party. In the past, without the presidency, the various wings of the Republican party in Congress have had some freedom to argue and influence and ultimately to shape the party's agenda. The election of President Bush changed that dramatically."

"Looking ahead, I can see more and more instances where I will disagree with the President on very fundamental issues – the issues of choice, the direction of the judiciary, taxing and spending decisions, missile defense, energy and the environment and a host of issues, large and small. (5/27/01)

Bush "lacks the most crucial access of a president: the ability to make Congress enact his agenda. It may be premature to conclude the Bush has lost control of his agenda, but lawmakers and strategists in both parties said the Bush's next year is much more likely to look like the fractious month of July than like the orderly march toward Bush's tax cut this spring." (*Washington Post*, 7/26/01)

This report examines the following issues, showing that President Bush is siding with campaign contributors on the major issues of the day:

- **Patients' Bill of Rights** (p. 5)
- **Energy** (p. 9)
- **Budget/Taxes** (p. 14)
- **Social Security** (p. 18)
- **Medicare/Prescription Drug** (p. 22)
- **Environment** (p.26)
- **Campaign Reform** (p. 29)

This report also contains the following:

- **Progress Report Card for President Bush** (p. 33)
- **Top 25 Bush Outrages** (p. 35)
- **Republican Leadership is Even More Conservative than President Bush** (p.39)

## BUSH AND THE GOP CONGRESS HAVE CATERED TO SPECIAL INTERESTS INSTEAD OF WORKING FAMILIES

Groups Who Have Given to Republicans	Contributions to Bush 2000 Election Cycle (1)	Contributions to GOP 2000 Election Cycle (4)	What These Groups Have Gotten From Republicans
Oil & Gas	\$3.2M	\$25.6M	Pro-Drilling Energy policy
Health Benefits Coalition (HMOs & Employers)	\$2.7M	\$41.7M	Veto threat on Real Patients' Bill of Rights
Tax Reform Coalition	\$386,632	\$667,611	Unfair Tax Cut, with Business Tax Breaks in the Future
Pharmaceutical Industry	\$1.4M	\$17.8M	Placebo Prescription Medicine Benefit for Seniors
Financial Services Industry	\$3.9 M	\$44.4M	Pro-Privatization Social Security Plan
Mining, Timber, Oil & Gas, Chemical	\$3.0M (3)	\$49.9M	Roll-Backs of Environmental Regulations
Campaign Contributors	\$193M	\$715M(2)	Blocking of Campaign Finance Reform

Source: Center for Responsive Politics & [www.tray.com](http://www.tray.com)

1 This includes contributions to the Bush campaign, the Bush Inaugural fund, and the Bush recount fund.

2 Campaign contributions to Republican Party Committees

3 Campaign contributions only.

4 This includes contributions to candidates and party committees.

## Patients' Bill of Rights

As this report goes to press, Rep. Charlie Norwood went to the White House and held a press conference with President Bush. There are no details yet. But Bush apparently has pressured Rep. Norwood to make a deal on a watered-down Patients' Bill of Rights to snatch victory for special interests HMOs and insurance companies from the jaws of defeat. Once again, with Republicans in charge, the interests of big business threaten to carry the day at the expense of the patients this type of legislation is supposed to protect.

In June, the Senate passed 59 to 36 a strong, enforceable Patients' Bill of Rights called McCain-Edwards-Kennedy (S. 1052). Last week, the House was moving towards consideration of the Ganske-Dingell-Norwood-Berry bill - the real patients' bill of rights in the House - but the Republican leadership postponed action when it realized it lacked the votes to defeat the bill. President Bush has vowed to veto the Ganske-Dingell-Norwood bill if it makes it to his desk.

This section of the report looks at President Bush's and Congressional Republicans' desperate efforts to block real Patients' Bill of Rights legislation. There's a direct link between the Republican stance on this issue and the campaign contributions Bush and the Republicans have raked in from HMOs and health insurance companies.

### ***GOP Working on a Sham PBR Bill***

Public support for a strong Patients' Bill of Rights is overwhelming. Polls show 85% of Americans, Republicans and Democrats alike, want Congress to pass a real, meaningful, enforceable Patients' Bill of rights. (**Kaiser Family Foundation Survey, 4/2001**)

But Bush and the Republicans are ignoring that mandate and are instead listening to their campaign contributors. The Republican approach has been to introduce a sham Patients' Bill of Rights bill, the Fletcher bill (H.R. 2315), designed to distract and delay action on real reform. Instead of bringing people together on a real, bipartisan PBR bill, Bush and the Republicans have sided with the HMOs and health insurance industry - their big-time campaign contributors. This prompted the *New York Times* to write: "George W. Bush pledged on the campaign trail to bring Democrats and Republicans together on behalf of a patients' bill of rights. But his failure now to back the sensible bipartisan bill being sponsored by John McCain, John Edwards and others in Congress calls into question the sincerity of his pledge." (***New York Times*, 2/9/01**)

GOP leaders have the gall to claim they're for a Patients' Bill of Rights. Said Speaker Dennis Hastert recently: "What we want to do is take care of patients. Patients should be able to get the health care they need." (***Face the Nation*, 7/1/01**) Similarly, Senator Trent Lott said: "We think that health care should be available, affordable and safe for all patients in America ... and that patients should have more rights than they have now." (***Meet the Press*, 6/24/01**) That's the public spin from the GOP leadership. The reality is far different.

It's particularly surprising the GOP leadership is attempting to claim they are strong advocates for patients when they oppose the Ganske Dingell Norwood bill that was supported by all of the major patient advocacy, consumer, and health care professional organizations. Indeed, over 500 organizations endorsed this PBR. The only major groups opposing the bill were the HMO industry, the health insurance industry and certain employer groups.

Both the McCain-Edwards-Kennedy bill in the Senate and the Ganske-Dingell-Norwood-Berry bill in the House represent real Patients' Bill of Rights legislation. They cover all Americans with private insurance, require access to emergency care, ensure access to specialists, ensure access to prescription drugs and hold managed care plans accountable when their decisions to withhold or limit care seriously injure or kill patients. On July 19, Reps. Ganske, Dingell, Norwood and Berry held a press conference where they announced they were introducing a slightly modified version of their bill. Those changes include further restricting liability for employers, limiting class action suits and attorney fees and requiring that, in most cases, patients exhaust administrative appeals before going to court.

On June 26, House GOP leaders introduced the Fletcher bill, a do-nothing, smokescreen PBR bill that fails to provide critical patient protections and leaves loopholes in others. In some cases, the GOP bill would actually leave patients worse off than they are today. As Rep. Norwood pointed out: "A patient could suffer injury or death from improperly denied care and still be blocked from a just court remedy." (Norwood Release, 6/26/01)

In short, the new GOP bill is a sham patients' bill of rights designed to distract and delay action on the real, bipartisan PBR bill. It's a pay-back to the insurance industry which has filled Republican campaign coffers with anti-PBR contributions.

President Bush has voiced his opposition to the bi-partisan Ganske-Dingell-Norwood-Berry bill and vowed to veto it. In its place, he's endorsed weakened proposals, including the Fletcher bill which limits a patient's ability to enforce these critical rights. In doing so, Bush has won the praise of the Health Benefits Coalition, a group of health insurance companies and some of Washington's biggest trade associations. (Health Benefits Coalition release, 2/7/01) As the *New York Times* reported: "Mr. Bush is addressing an issue critical to some of his biggest financial supporters, including major employers groups, insurers, H.M.O.'s and the Business Roundtable, all of whom have been lobbying heavily to make sure that patients' legislation is not too costly. They were heartened by Mr. Bush's commitment to vetoing the leading bill now in Congress." (*New York Times*, 3/22/01)

## ***Resorting to Hardball***

So desperate are Bush and GOP leaders to defeat meaningful PBR legislation, they've resorted to hardball tactics designed to scare moderate Republicans into opposing the Ganske-Dingell-Norwood-Berry bill. It began with the president and his chief strategist Karl Rove cornering one of the bill's chief sponsors, Rep. Norwood (R-GA) back in

February. They convinced him to withhold support for a patients' protection bill and to stay away from a news conference held by a bipartisan group of lawmakers to unveil the legislation. (*Chicago Tribune*, 2/7/01)

More recently, *Roll Call* is reporting that "GOP leaders are preparing to turn up the heat on several Republican Members, privately suggesting that those who support the Democrat-backed managed-care bill are jeopardizing their pet projects and appropriations requests." One example is Rep. Tim Johnson (R-III) who has requests in for several grants for the University of Illinois. Johnson is an open supporter of the Ganske-Dingell-Norwood bill. The article goes on to say: "While GOP leaders furiously lobby some 10 Members who remain undecided about which bill to support, they are also keeping tabs on the earmarks and appropriations requests a number of Members have made." (*Roll Call*, 7/30/01)

Meantime, President Bush is trying to persuade other GOP lawmakers to drop off the Norwood bill. Bush knows he's bucking public opinion and all the pundits say PBR legislation is the first big test in the second chapter of Bush's presidency, and he cannot afford to lose.

### ***Republicans Working for HMOs and Health Insurers Who've Given Millions in Contributions***

The fact that President Bush is failing to live up to his campaign pledge to support meaningful PBR legislation shows the power of the special interests in this White House. Insurance companies and other opponents of Patients' Bill of Rights legislation gave at least \$2.7 million to Bush's presidential campaign and transition. Specifically, \$1,626,093 was given by the insurance industry to the Bush campaign. Another \$1,145,000 was given by the insurance industry to the inaugural fund. (**Center for Responsive Politics**) According to Texans for Public Justice, a non-partisan watchdog group, seven Bush pioneers have ties to the health insurance industry, which opposes a Patients' Bill of Rights.

For the 2000 elections, corporate opponents of a real PBR have given more than \$51 million to Bush, the RNC and related committees. This includes \$5.5 million from individuals, \$2.98 million from PACs and \$38.7 million in corporate soft money. The biggest contributors include the American Association of Health Plans (AAHP) which is a collection of more than 1,000 health plans, the American Benefits Council (ABC) which is a collection of at least 248 companies and trade associations, Health Benefits Coalition (HBC) which is a collection of at least 29 companies and trade associations and the Health Insurance Association of America (HIAA) which is a collection of more than 300 companies and trade associations including Met Life, United HealthCare and Aetna. It's clear the investment these associations have made in Republican politics in recent years has paid off - now Bush and his fellow Republicans are doing the bidding of these companies at the expense of everyday Americans.

And this year they plan to keep up the money flow. In June, the Washington Post reported on a \$2,500-a-plate dinner featuring President Bush and Vice President



Cheney that raised more than \$20 million. "One of the four co-chairmen was Bruce A. Gates . . . executive director of the Health Benefits Coalition . . . a leader in the fight against patients' bill of rights bills. Another co-chairman, Kim McKernan . . . is a lobbyist for the Business Roundtable which belongs to the Health Benefits Coalition . . . The coalition has been running ads assailing the patients' rights bill advocated by Senate Democrats. A third co-chairman, James A. Anderson Jr., is vice president of government relations at the National Associations of Wholesalers-Distributors, which has also spoken out against a patients' bill of rights [and is also a member of the Health Benefits Coalition]." (*Washington Post*, 6/28/01)

Republican Senator John McCain (R-AZ) has summed it up best: "Republicans are in the grip of the huge money from the insurance companies and the HMOs." (*LA Times*, 12/3/99)

## ***Republicans Have Blocked Real PBR Reform For 5 Years***

Since 1997, the GOP leadership has taken the side of HMOs and health insurers on the issue of patients' rights - raising millions of dollars from these industries and doing their bidding on patients' rights. Consider this excerpt of a confidential HIAA memo: "The message we are getting from the House and Senate [GOP] leadership is that we are in a war and need to start fighting like we're in a war [against patients' bill of rights bills]. Republican leadership is now engaged on this issue and is issuing strong directives to all players in the insurance and employer community to get activated." (Melody Harned, federal affairs counsel, HIAA, in a confidential memo to her boss, Michael Fortier, 10/22/97)

In the 1997-1998 election cycle, the members of the Health Benefits Coalition (including the Business Roundtable, Blue Cross/Blue Shield, Cigna and Prudential) contributed a total of \$7.6 million to Republican candidates and Republican party committees (including PAC contributions, soft money contributions and individual contributions).

In 1998, the HBC spent a total of \$37 million on lobbying efforts, including those against the Patients' Bill of Rights. In the fall of 1998, a real Patients' Bill of Rights bill was killed in Congress prompting the *New York Times* to write: "A coalition of HMOs, insurance companies, and employers - the Health Benefits Coalition - vehemently opposed new [patients' rights] mandates on managed care plans . . . The coalition began its lobbying and advertising campaign back on January 21, 1998" (*New York Times*, 10/19/98) The *Associated Press* reported at around the same time: "Dan Danner, chairman of the anti-regulation Health Benefits Coalition, said the money [the \$37 million] was well spent. 'We didn't have [patients' rights] legislation pass in this past Congress, and that was our objective.'" (*AP*, 11/28/98)

## **Conclusion**

No matter what happens in the House on Patients' Bill of Rights legislation, Bush and the Republican leadership will be behind any and all efforts to sabotage real reform. Their goal is to appear to be for a PBR when in fact the Republican proposals are a

sham and a giveaway to the insurance industry. For too many years the HMOs and health insurers have thrown money at the Republicans and each year they get their money's worth- staunch Republican opposition to a meaningful PBR legislation. This year will be no different unless Democrats and moderate Republicans stand together to do the right thing in the face of the Bush White House and the GOP leadership.

## Energy

Big Oil scored big this week as the House passed an energy package embracing many elements of the Bush-Cheney plan. Of course, the Bush energy package is nothing more than a boon to the already profiting energy industry which bankrolled the Bush campaign. Big Oil gave \$3.2 million to the Bush campaign, and \$25.6 million to Republicans overall. Other sectors of the energy industry have been similarly generous. Apparently, payback time to the energy industry has arrived, and it will be consumers and our environment that will pay the price.

### ***Bush Plan Favors Big Oil and Big Electric Over Consumers & The Environment***

On May 17, President Bush formally unveiled the Bush-Cheney energy plan – which turned out to be a payback to their Big Oil and other special-interest energy company friends. Instead of being a balanced plan that is focused on both supply and demand, the Bush-Cheney plan is focused on increasing the production of energy – particularly the traditional sources of energy, including oil, gas and coal. Not only does it harm the environment, but it does nothing to help consumers.

Specifically, the Bush plan:

- **Permits Oil Drilling in Pristine Areas:** Permits Oil Drilling in the Arctic Wildlife Refuge, in the Rocky Mountains, off the coast of California, and on Federal Lands.
- **Undercuts Clean Air:** Permits power plants to exceed Clean Air limits, rolls back clean air standards for refiners, and calls for a reassessment of the Clean Air Act.
- **Undercuts Other Environmental & Safety Standards.** Undercuts environmental protections for new oil refineries and pipelines, and hydroelectric plants. It also encourages more nuclear power plants before we find a safe place to store dangerous nuclear waste.
- **Fails to Invest in Energy Efficiency & Renewable Energy:** Bush budget slashes funding for energy efficiency and renewable energy by more than 25%.

- **Does Nothing for Consumers:** Does nothing to reduce current gasoline prices and does nothing to help west coast consumers that are being gouged by electric utilities.

However, House Republicans have been concerned that the Bush-Cheney energy plan was received very poorly by the American public. Therefore, in certain cases, they have been very anxious to recast the GOP energy plan as being more focused on energy conservation than the original Bush-Cheney plan. But the reality is that the House GOP follows the Bush plan in containing special interest provisions for Big Oil, while leaving consumers and the environment behind.

Indeed, Rep. Nick Rahall, Ranking Democrat on the Resources Committee, has labeled the Resources Committee provisions as “a grab bag of goodies for Big Oil.” They include:

- Opening up, for the first time, the pristine Arctic National Wildlife Refuge for oil and gas drilling;
- Rolling back oil company royalty payments by expanding royalty holidays, and providing deepwater royalty giveaways;
- Reduce or eliminate current federal environmental and safety restrictions on onshore oil and gas leasing activities on federal lands;
- Allowing oil companies to pay royalties in-kind (with oil) rather than cash payments, which cost taxpayers money;
- \$27.7 billion in tax breaks for big energy. That is approximately 75% of the provisions in the bill. Renewable energy and improved energy efficiency get only 17% (\$5.8 billion).
- Highly specific provisions appear to benefit particular companies. For example, one provision would allow the Secretary of Interior to suspend the term of existing subsalt leases, which would benefit Houston-based Anadarko Petroleum Corporation.

“Today the House is due to consider an energy bill that would accomplish little other than pork-barrel handouts to industry supplicants. The bill contains \$33.5 billion worth of tax breaks over 10 years, a generosity that is unencumbered by any discernible policy objective. ...the House bill subsidizes just about all types of energy, from coal to oil to gas to nuclear to renewable sources. The bill even offers coal two separate subsidies that seek to drive the sector in different directions. The lawmakers appear clear only in one respect: They want to waste your tax dollars.” (*Washington Post*, 8/1/01) “On the whole, however, it is a dismal compendium of tired ideas favoring the coal, oil and gas industries.” (*New York Times*, 8/1/01)

## ***Bush's Pro-Drilling Energy Plan Out of Step***

Bush's plan for Big Oil is so out of step with the American people that the House has already rejected some parts of his plans. Recently, the House handed Bush a stinging rebuke in the form of two environment-related legislative defeats pertaining to his energy plan. This effort was led by a united Democratic caucus and attracted Republicans to carry the majority. The President's defeats happened in rapid succession during consideration of the Interior Department appropriations bill and prompted the *New York Times* to conclude: "The House of Representatives has now provided further evidence of the widening gap between the Bush administration and the American people on environmental and energy issues." The *Times* also said: "In legislative terms, it was Mr. Bush's darkest hour." (*New York Times*, 6/23/01)

The votes were as follows:

- Reject Drilling in National Monuments — On June 21, the House voted to block Bush plans for new oil, gas and coal exploration within the boundaries of national monuments. This amendment, sponsored by Representative Nick J. Rahall, passed 242 to 173 with 47 Republicans jumping ship to vote with the majority.
- Rejected Drilling in the Gulf Coast – Also on June 21, a bipartisan majority voted to stop oil and gas drilling in the eastern Gulf of Mexico (known as Lease Sale 181) off the Florida coast. President Bush wanted to drill there while his brother, Florida Governor Jeb Bush, opposed the idea. The amendment by Rep. Jim Davis passed 247 to 164 with 70 Republicans voting for the ban.

## ***Energy Industry Bankrolled the Bush & GOP Campaigns***

The fact that the Bush Energy plan says YES to big energy which is already raking in the profits at the expense of American families, and NO to consumers comes as no surprise. That's because he owes his big oil buddies and other energy industry friends some big favors. After all, they bankrolled the Bush campaign, in addition to generously underwriting Republican campaigns at the federal level.

According to the Center for Responsive Politics, Bush was by far the top recipient of money from the oil and gas industry receiving \$3.2 million (\$1.8 million in campaign contributions plus inaugural and other contributions) of the \$27 million it gave to Republicans in the 2000 election cycle. That the Bush plan is pay back to his oil and gas friends is a natural outcome of the money trail.

Enron has long been one of Bush's biggest corporate supporters and now Enron's Chief Executive has been appointed to the Bush Energy Advisory Team. The San Francisco Chronicle reports: "(People) have noted the money connection between Bush, a former oil industry executive, and the vast Texas energy industry. Enron's Kenneth Lay, who boasts he can get Bush on the phone whenever he wants, raised more than \$400,000 for the GOP and the Bush campaign." (*San Francisco Chronicle*)

Republican campaigns are also deeply indebted to electric utilities. These utilities bankrolled the Bush campaign to the tune of \$1.3 million, while contributing nearly \$13 million to Republican candidates and party committees in the 2000 election cycle.

During the cycle, the nuclear waste industry gave \$320,100 to Bush and \$1,180,553 to GOP candidates and committees.

Finally, the coal industry which reportedly gets a relaxation of Clean Air standards under the Bush plan gave his campaign more than \$100,000, while filling GOP coffers with \$3.3 million for the 2000 election.

These campaign contributions are not the only financial ties between Bush and the energy industry. Twenty-eight of Bush's Fundraising Pioneers, those raising \$100,000 or more, are connected to the energy industry. (*New York Times*, 6/23/00)

And that pattern is likely to continue. Republicans are already raising record amounts with the help of their special interest friends in the energy industry. In fact, in May, Republicans held a record-setting fundraiser – raising more than \$20 million, the President's Dinner – underwritten by American Gas Association, American Petroleum Institute, and Reliant Energy, among others.

### ***Bush Energy Plan Crafted in Secrecy***

As a reward to these big contributors Bush established a secret task force headed by Vice President Cheney, former CEO of Halliburton, one of the world's largest oil field services companies. Vice President Cheney for months has refused a General Accounting Office request to release the list of people who met with his energy task force this spring. The Cheney task forces's refusal to provide basic information about its interactions with non-governmental entities and individuals raises serious questions about the access large donors have to the policymaking process in the Bush administration.

It may be that the task force is meeting in secret to hide the fact that the Administration has had an open door policy for energy industry representatives. As *Newsweek* has reported:

Cheney met with a group of utility executives at the Edison Electric Institute, whose president, Tom Kuhn, was a leading Bush fund-raiser. No one has enjoyed better access than Enron CEO Ken Lay, who recently had dinner with his good friend the president. (*Newsweek*, 5/12/01)

Of course, Enron ranked among Bush's top 10 presidential campaign contributors, giving more than \$110,000, and helped sponsor a \$7 million party fund-raiser last month. The Edison Electric Institute gave Republican candidates more than two-thirds of its \$193,000 in contributions last year.

## ***Energy Companies Spend Millions to Sell GOP Energy Plan***

Republicans realizing that the Bush Cheney energy plan was not well received by the public have called in their special interest friends to help sell the plan. Energy companies with the encouragement Republicans have waged a multi-million dollar advertising campaign in California against pro-consumer, anti-price gouging legislation. According to CNN "Leading congressional Republicans have urged the entire energy industry to spend upwards of \$50 million on the ads..." (CNN, 6/10/01) "We've been carrying their water for a long time," one Republican said of the energy industry. "And now they're going to have to provide some air cover." (CNN, 6/10/01) "The ad campaign reflects a deepening sense of dread among congressional Republicans that the Bush energy policy, while long on specifics, has failed to address short-term political pressure on Republicans." (CNN, 6/10/01) Republicans at the same time admitted that they were relying on these energy companies to help sell their anti-consumer, anti-environment plan and save their tenuous majority in the House of Representatives. GOP Chief Deputy Whip Roy Blunt said, "With a five vote majority, we had to effectively use outside coalitions to help move us move that majority in the right direction...."(CNN, 6/11/01)

This is not the only ad campaign. In fact, a number of coalitions have been formed for the express purpose of promoting the Bush energy plan. And now they are moving "into high gear in the hope of salvaging key parts of President Bush's sagging national energy plan." (National Journal, 7/28/01) Here's an accounting of them:

- Alliance for Energy and Economic Growth – This spring, Big Oil formed the Alliance for Energy and Economic Growth to wage a multimillion dollar campaign to persuade Members of Congress to back the Bush energy plan. This group is funding a multimillion dollar inside-the-beltway campaign. More than 400 groups are members of this energy coalition, spearheaded by energy industry leaders such as the American Petroleum Institute, the American Gas Association, the Edison Electric Institute, the National Mining Association, and the Nuclear Energy Institute. ***"To join the coalition [Alliance for Energy and Economic Growth], you must agree to support the Bush energy proposal in its entirety and not to lobby for changes to the bill. Should the bill change, you must support the changes in the legislation or drop out of the coalition. If you are caught attempting to lobby behind the back of the White House, you will be expelled from the coalition. I have been advised that this White House 'will have a long memory.'"*** (Washington Post, 5/30/01)
- Citizens for Real Energy Solutions – Born out of discussions that Vin Weber had with top Bush political advisor Karl Rove and Majority Leader Tom DeLay, this new coalition is launching a multimillion dollar, outside the beltway effort "touting a 'balanced' national energy plan of increased production and conservation that follows the principles of the Bush blueprint but which promotes a greener hue." (National Journal, 7/28/01) National Journal reports that key funders include both El Paso Corp. and Reliant Energy, two energy behemoths that have profited greatly in the California electric crisis. In fact, California has alleged price gouging by El Paso.

- Arctic Power – Finally, a pro-business, pro-drilling coalition is pumping \$4 million into an advertising campaign designed to generate support for opening the Arctic Refuge to oil drilling. (*Wall Street Journal*, 3/19/01)

Big Oil is clearly prepared to pony up whatever it takes to sell the Bush energy plan. This comes as no surprise. Big energy stands to gain billions if the Bush plan is passed. They will do whatever Republicans ask to make sure this pro-big energy, anti-consumer, anti-environment plan is passed.

## **Budget & Taxes**

The major accomplishment of President Bush's first six months has been a huge tax cut that he pushed through to please his wealthy contributors. This tax cut is now threatening the Medicare and Social Security trust funds, and is jeopardizing additional spending for education, the military, and prescription drugs. It is even squeezing out Bush's own priorities, such as tax incentives to encourage contributions to faith-based organizations.

President Bush sold the American people a pig in a poke with his massive 10-year tax cut. Only the pig turns out to be a dangerous pillaging bear. Bush insisted we should all believe the fantastical projection of budget surpluses ad infinitum, despite clear signs of a slowing economy. He said he could slash taxes and still pay down the national debt, with money left over to fund his other promises, from defense to education to prescription drug benefits to revamping Social Security. ...it was hard to see where the money was going to come from.....And now we know where Bush will find the money for the shortfall: the Medicare and Social Security trust funds that we have been told were off-limits. Budget watchers on Capitol Hill now take it as a given that the Medicare reserve will have to be used to fund the government next year. The only question is whether Social Security, too, will have to be touched. (*Atlanta Journal and Constitution editorial*, 7/10/01)

The Bush Administration promised rewards to business supporters later after passage of President Bush's \$2 trillion tax package if they would climb on board the gravy train. Now they want the President to deliver on that promise. They are talking about business tax breaks on the legislation to raise the minimum wage. House Republican Leaders are rallying behind a bill to make the Bush tax cuts permanent. And the White House has sent signals that it is planning for business tax breaks (such as capital gains cuts) as an interim step to "tax reform."

It is clear that Republicans have lost any sense of fiscal responsibility, and are completely out of step with the American people. President Bush and Republicans have sided with the businesses and wealthy special interests who have poured millions into their campaigns. Instead of putting together a budget embracing the priorities of America's families – like education, Medicare, Social Security, and prescription drugs.

## ***Budget Surplus is Squandered; No Room Left for Key Priorities***

When President Bush was inaugurated, the United States had the largest surplus in our nation's history. Now he and Congressional Republicans have squandered the surplus. Excluding the surpluses run by Social Security and Medicare Trust Funds, the federal budget will be in deficit this fiscal year and will remain in deficit for the foreseeable future.

"Indeed, new projections due later this summer are likely to show that the nation's spending needs will force a raid on the Social Security and Medicare trust funds to pay for regular spending in coming years." (*New York Times*, 6/22/01)

Even Republicans have begun to acknowledge this. An internal GOP memo indicated that the soon-to-be-released Congressional Budget forecast, updated with new economic data, would show no surplus beyond the Social Security and Medicare trust funds, and that Congress may have to dip into both of those trust funds by nearly \$41 billion. Specifically the GOP memo states, "We are possibly already into [the] Medicare [Part A] trust fund this year and every year through FY 05. We are also very close to touching the Social Security surplus in FY 03." (*Bureau of National Affairs*, 7/27/01) The GOP estimates of the upcoming CBO announcement are that there is no surplus in FY 2002, and that Congress will be into the Medicare and Social Security trust funds by \$40.8 billion in FY 2003, \$34.7 billion in FY 2004, and \$26.9 billion in FY 2005.

Not only are the tax cuts threatening the Medicare and Social Security surplus, but the tax cuts are squeezing out important spending priorities that most Americans support. "[T]he tax cut's immediate effect will be to eat up part of the \$5.6 billion surplus that had been projected over the next 10 years. This has created challenges for Congress. Defense hawks worry that Congress cannot provide the Pentagon the \$30 billion increase that military officials want. Education advocates wonder how lawmakers will fund the big increases in education ..." (*Los Angeles Times*, 7/18/01)

"The President's tax cut has begun to limit his ability to deliver even on his own campaign promises." (*Washington Post* editorial, 7/24/01) Look at what is happening with the President's pledge that "help is on the way" for the military. "The cold splash of reality hit the Joint Chiefs of Staff last month, when the White House Office of Management and Budget approved an \$18 billion add-in to the pending fiscal 2002 defense budget. The number is about half of what the chiefs and Mr. Rumsfeld want to cure immediate combat readiness problems before embarking on weapons modernization in 2003." (*Washington Times*, 7/23/01) The faith-based proposal is another example. Bush's proposed tax breaks to encourage charitable giving totaling \$91.7 billion over 10 years. Instead, the House passed a shadow of that package totaling \$13.3 billion, sharply limiting the deduction for charitable contributions.

## ***Surplus Was Squandered on a Tax Cut for Wealthy Contributors***

The oversized Bush tax cut has caused the budget to return to deficit. Republicans rammed through a tax cut in a partisan way that benefits the wealthy and leaves millions



of families that need it most empty handed. In fact, the Joint Committee on Taxation has estimated that the tax bill (assuming that gimmicks are eliminated – like fixing the Alternative Minimum Tax) will cost taxpayers \$1.8 trillion, and \$2.26 trillion with debt service included. In fact, Citizens for Tax Justice noted that the bill enacted into law was 20% larger than the original Bush plan.

But as with the original, this plan is skewed for the wealthy. According to Citizens for Tax Justice, the massive tax cut is skewed to the wealthiest American households – with 38% of the tax cut going to the top 1%; the top 1%, with incomes averaging more than \$1 million per year, will get an average tax cut of \$53,123. The top 10% of taxpayers would get 57% of the total tax cut. Meanwhile, the 60% of American families that have incomes of \$44,000 or less would get less than 15% of the tax cut, averaging \$347 per year. Further, the Bush plan provides no tax relief at all for 5.8 million families with children.

The fact that millions are left behind has become plainly evident through the tax rebate. Thirty-four million taxpayers (more than one-quarter) have received notice that they will get no tax rebate, and another 17 million will get only partial rebates (13%). So overall, 51 million people (nearly 40%) will not get the full tax rebate that the President promised this summer.

Republicans passed this tax cut for the wealthy as a payback to the wealthy contributors. After all, Bush's campaign for the presidency was funded by the wealthiest of Americans. Two-thirds of Bush's campaign donations came from donors who gave at least \$1,000, according to the Center for Responsive Politics. Academic studies show that 80% of donors of at least \$200 to congressional campaigns have family incomes of \$100,000 or more; nearly half have family incomes of more than \$250,000. Undoubtedly, donors who give at least \$1,000 are concentrated even higher on the income scale. Meanwhile, Bush's roster of 214 "pioneers"-- the volunteer fundraisers who raised at least \$100,000 for his campaign -- is a who's who of corporate executives in the top income brackets. Clearly Bush has written a tax plan to reward the fat cats that funded his campaign.

### ***Business Contributors Were Promised Future Tax Breaks***

Businesses that have filled the campaign coffers of Bush and Republicans across-the-board sought to add more than a trillion dollars in corporate tax breaks to Bush's bloated tax cut bill.

Indeed, there is a long list of tax cuts that business lobbyists would like to see enacted. Estimates of the tax breaks that corporate interests are looking for range from \$500 billion to an additional \$1.3 trillion or more. (*USA Today*, 1/26/01; *Time*, 2/12/01) These include everything from reducing the corporate income tax rate, to cutting the corporate capital gains tax (estimated to cost \$32 billion over 10 years), to repeal of the corporate alternative minimum tax – which ended the practice of profitable corporations paying no taxes -- which could cost \$220 billion.

Realizing the early inclusion of these tax breaks would drive up the cost of the Bush tax plan, top Bush Administration officials pressured these businesses to join together as the "Tax Relief Coalition" (TRC) and to agree to temporarily postpone their tax breaks. These groups were promised a second tax bill to carry the business tax breaks after the initial Bush tax plan is enacted.

Since passage of the Bush tax cuts, Republican Leaders have reiterated their commitment to additional tax breaks for businesses:

When he signed the tax bill, President Bush announced "This is only the beginning." (*Houston Chronicle*, 6/9/01)

GOP have said they will attach those provisions [business tax breaks] to every moving target. "I'll support every tax cut I can get my little ol' hands on," House Majority Leader Dick Armey said. (*Houston Chronicle*, 6/9/01)

"[Republicans] promised rewards to business supporters for not trying to climb aboard President Bush's 10-year, \$1.35 trillion tax package..." (*Wall Street Journal*, 7/2/01)

**Pay Raise for Minimum Wage Workers Likely Vehicle for Business Tax Breaks.** Republican would like to add billions in business tax break to legislation to give millions of workers a pay raise. [House Majority Leader Armey] stated that a "minimum wage bill will not leave the Capitol without being coupled with a capital gains tax" cut, which he called "the largest economic bang for your buck." (*Houston Chronicle*, 6/9/01) "Republicans want to attach as much as \$30 billion in business-related tax breaks over 10 years to the minimum wage bill...Congress also hopes to extend expiring tax credits, provide incentives for health coverage and energy investments, add charitable giving provisions and reduce capital gains taxes." (*Wall Street Journal*, 7/2/01)

**Administration Has Signaled New Business Tax Breaks.** Further, just last week, it was reported that the Administration is "planning a new package of tax reforms aimed at investors and businesses, including capital gains tax and depreciation, as a follow-up to this year's" tax cut. (*Financial Times*, 7/24/01) "A top White House economic adviser said the administration is considering expanded depreciation deductions and tax breaks for capital gains as interim steps toward fundamental tax reform....Monday's comments at a tax reform conference, co-sponsored by three conservative think tanks here, suggest that the White House might try to squeeze in a few more tax cuts anyway during the next year or two, particularly if the economy continues to sputter." (*Wall Street Journal*, 7/24/01)

**House Republicans Work with Business Contributors to Make Bush Tax Cuts Permanent.** In late July, Republican Policy Committee Chairman Christopher Cox of California kicked off an effort to eliminate the "sunset dates" in the recently enacted tax cut package before Congress adjourns this year. Rep. Kenny Hulshof, R-Mo., who has introduced legislation to make the tax cuts permanent, said his bill could be attached to an "extenders" package, containing renewal of research and development and other expiring tax credits..... (**AP Online July 26, 2001**) Business lobbyists pledged to join House Republicans in a "full court press " to enact this bill focusing on a grassroots

campaign to contact members of Congress back in their home districts sponsored by the Tax Relief Coalition.

These businesses know that ultimately Bush and Republicans will deliver for them as they have been helpful to his electoral cause, making big contributions to his campaign coffers. In fact, a group of 22 business leaders who contributed more than \$14 million to the GOP during the 2000 election cycle came to the White House this spring to work out the tax cut strategy. (*Wall Street Journal*, 2/8/01) Businesses that are members of the Tax Relief Coalition ponied up \$173,000 for the Bush campaign and inauguration. For Republican candidates and parties, the coalition gave \$677,611. ([www.opensecrets.org](http://www.opensecrets.org); [www.tray.com](http://www.tray.com); *Chicago Tribune*, 2/19/01) In addition, the Chamber of Commerce, National Association of Manufacturers and National Association of Wholesaler-Distributors all had major grass-roots and advertising campaigns that helped Bush and Republicans in 2000.

Further, President Bush and businesses worked well together to get the first tax bill through. Business groups spent millions running ads for the Bush tax cuts. The Issues Management Center launched a television ad campaign to support President Bush's tax cut, featuring President Kennedy's voice supporting a 1962 tax cut. A conservative group called Club for Growth also launched a \$1 million television campaign to garner support for the tax cut package.

What else but these millions in campaign contributions from business could explain the Bush Administration's willingness to go even further down this road of fiscal irresponsibility.

"After passing an unfair and unaffordable tax cut last month, Congress ought to have gotten tax cuts out of its system for a while. But now, with White House encouragement, Republican leaders are talking about enacting yet another round of tax bills that would use up what little is left of the federal surplus over the next 10 years, squandering any chance at all of doing more for health, education and the environment.... lawmakers are setting a grotesque new standard for irresponsible budgeting." (*New York Times*, 6/22/01)

## **Social Security**

Bush and congressional Republicans have begun a process to tear down Social Security and scare Americans about its future in order to enact a risky privatization scheme. Social Security privatization threatens the retirement security of millions of America's families and would require deep benefit cuts. Instead of creating a bipartisan and balanced commission, Bush set up a strictly pro-privatization Commission to ensure that his plan to divert trillions from Social Security becomes a reality. Bush has done this both because Republicans have long opposed Social Security, and because the financial services industry that stands to make billions is a big campaign contributor to Bush.

## ***Bush's Privatization Crusade Begins***

President Bush laid out principles that he said should guide changes to Social Security, including partial privatization. On May 2, President Bush established a 16-member Commission on Social Security – that was stacked with 16 proponents of the President's privatization proposal.

Not surprisingly, in early July, the Commission released an alarmist and inaccurate interim report. The Commission falsely charges that Social Security is 'broken,' that there are no "real" assets in the system, and that it will go bankrupt by 2016 unless we undertake a radical overhaul. The reality is that Social Security has enough reserves in the trust fund to last until at least 2038. These assets have the full faith and credit of the United States government behind them. The Social Security system is fundamentally strong for many years to come.

As Rep. Matsui has pointed out, "Clearly this draft report intends to frighten Americans by presenting a worst case scenario. Its aim is to convince younger Americans that Social Security is falling apart and that a radical solution is needed to fix it." The *Washington Post* reported, "the document is striking, however, in its efforts to shake faith in the existing system among the groups of Americans who have depended the most upon its benefits." (*Washington Post*, 7/20/01)

The Commission and its first report are clearly laying the groundwork for their radical and risky privatization scheme that would erase the guarantee that Social Security provides to the elderly. Rather than shoring up Social Security, the President's Commission is set to privatize Social Security which will mean benefit cuts and more risk. The Commission may recommend that they divert revenue out of Social Security into private accounts – doubling the size of the shortfall, requiring deep cuts of up to 54% in benefits, and jeopardizing the financial security of families all across America.

This proposal has become all the more problematic because of the Bush tax cut. Diverting 2% of the Social Security payroll tax to private accounts would take \$1 trillion out of the Social Security trust fund over 10 years. Therefore, the trust fund would become insolvent sooner, requiring either benefit cuts, or replacement funds from the general treasury. However, Bush has squandered the surplus on huge tax cuts for the wealthy. As *Business Week* reported, "Bush wants his Social Security Commission to embrace private accounts. Just one problem: the panel gets to figure out how to pay for them. And thanks to the tax cut, that job just got a lot harder." (*Business Week*, 5/30/01)

## ***Republicans Have Always Opposed Social Security***

Republicans have always opposed Social Security. At its creation, Republicans voted overwhelmingly to make Social Security voluntary. In 1964, Barry Goldwater proposed to make the program voluntary. And ever since, Republican Leaders have sought to undermine this program. Just look at what Majority Leader Armey has said over the years:

Armey said that Social Security was a “bad retirement” and a “rotten trick” on the American people. He continued, “I think we’re going to have to bite the bullet on Social Security and phase it out over a period of time.” (*Fort Worth Star-Telegram*, 10/21/84)

In 1985, Armey said, “One thing that is very clear to us from the history of the Social Security system in this country is that the federal government is incapable of administering a compulsory retirement program in a manner that gives the public a secure and predictable future... But then eventually we would be able to phase the government programs out and phase the private programs in. (*Dallas Times Herald*, 1/29/85)

And the Bush Administration shares this view. Apparently, Treasury Secretary O’Neill, one of the Trustees of Social Security, does not support the program. Here’s what he has had to say:

"Able-bodied adults should save enough on a regular basis so that they can provide for their own retirement and, for that matter, health and medical needs," he says.

Treasury Secretary O’Neill  
& Trustee of the Social Security Trust Fund  
(*Financial Times (London)*, 5/22/01)

### ***Bush Works Hand in Hand with Special Interests***

As Bush and Republicans begin their jihad against Social Security, the Bush Administration is working hand-in-hand with Wall Street and the financial services industries, which stand to gain billions under a Social Security privatization scheme and have poured millions into Bush’s campaign coffers.

According to the *Wall Street Journal*, there are three organizations of business coalitions planning to raise \$20 million for an advertising campaign to build support for personal accounts. As the *Wall Street Journal* reported: “As the Bush administration officially launches its effort to privatize Social Security, it is about to get a big -- and generous -- helping hand from investment firms... a range of financial-services firms are pooling their efforts, and millions of dollars for advertising, to assist him in raising public concern about the retirement program’s woes.” (*Wall Street Journal*, 6/12/01)

- The Wall Street group created the Coalition for American Financial Security, which expects its advertising campaign for this fall to coincide with Mr. Bush’s own barnstorming on the issue. This group was formed by a group of financial services companies headed by the Frank Russell Co., a subsidiary of Northwestern Mutual Life Insurance Company. They are big GOP backers, having made campaign contributions totaling \$501,575 for the 2000 election – 73 % of which filled GOP coffers.

- The biggest pro-privatization group is the Alliance for Worker Retirement Security, a coalition formed in 1998 by the National Association of Manufacturers (\$45,157; 93 percent to the GOP). Its membership includes trade association heavyweights like the U.S. Chamber of Commerce (\$515,499; 94 percent to GOP) and the National Federation of Independent Business (\$1.1 million; 97percent to GOP), as well as the Securities Industry Association (\$604,721; 59 percent to GOP).
- A third group in favor of privatizing Social Security, the Universal Savers Alliance, has been formed by leaders of the term limits movement, according to news reports.

Of course, the financial services companies stand to gain billions from Social Security privatization (as they will advise individuals investing their Social Security funds). According to the Center on Budget and Policy Priorities, if 2 percentage points of the Social Security payroll tax were channeled to personal accounts in 2002, Wall Street could see \$86 billion come out of Social Security and into new investment accounts. *(Wall Street Journal, 6/12/01)* In fact, some have reported, “the ad dollars are a pittance compared with the billions at stake for Wall Street should Mr. Bush achieve his goal of carving private accounts from Social Security.” *(Wall Street Journal, 6/12/01)*

The coordination with the White House does not stop with this ad campaign. The Coalition for American Financial Security recently featured Treasury Secretary Paul O'Neill as the keynote speaker for a luncheon. “O'Neill's appearance was surprising less for the opinions he expressed than for the conspicuous display he made of the administration's connection with the financial-services industry who stand to reap windfall profits from the president's proposed reform.” *(American Prospect, 7/30/01)* The coalition has also met several times with White House economic adviser Lawrence Lindsey. Further, the former Executive Director of the Alliance for Worker Retirement Security is now the head staff member of Bush's Commission on Social Security. *(Washington Post, 6/7/01)* It is clear that the Administration and Wall Street are working hand in hand to see that the Bush privatization plan becomes the law of the land, while the safety net for seniors is jeopardized.

That Bush would support a proposal for Wall Street and coordinate with them to the detriment of America's retirement security is to be expected. Bush owes a lot to the financial services industry. According to the Center for Responsive Politics, the securities and investment industries were the fourth largest industry contributing to the Bush campaign, pitching in nearly \$4 million to the Bush campaign in 2000. Overall, Republican candidates and party committees took in more than \$49 million (55% of the industry contributions) from these industries. These campaign contributions have only strengthened the GOP's interest in undermining Social Security as a payback to their special interest friends.

## Medicare & Prescription Drugs

Instead of siding with America's seniors, President Bush and the GOP leadership have been siding with their special-interest allies – drug companies that vehemently oppose a real Medicare prescription benefit for seniors. Pharmaceutical companies have filled the campaign coffers of President Bush and congressional Republicans, and in return, Republicans have offered up inadequate, unworkable prescription drug plans tied to reform plans to privatize Medicare to stave off any meaningful Medicare prescription drug benefit. All this, despite the fact that polls show that a Medicare prescription drug plan for seniors is a top issue for America's families.

### ***Bush Proposes Placebo Drug Benefits Tied to Medicare Reform***

During the 2000 campaign, candidate Bush said again and again that one of the top priorities of the Bush Administration would be to enact a program to provide prescription drug assistance to seniors. Bush stated that, for the next four years, there would be put in place an "Immediate Helping Hand" program – providing \$48 billion over a four-year period for block grants to states to help cover the cost of prescription drugs for low-income seniors. After this four-year period, a yet-to-be-defined "restructuring" of Medicare would provide further prescription drug assistance to seniors. This was the Bush plan.

Because his plan is at best inadequate, and at worst harmful to Medicare beneficiaries, it has met with strong resistance to the point that portions of it have already been dropped by the Administration. Specifically, the President's Immediate Helping Hand proposal – sent to the Congress by the Bush White House on January 29 – has already sputtered out. Indeed, even before the Inauguration, the January 11<sup>th</sup> Des Moines Register reported the following:

***"A major portion of President-elect Bush's plan to extend prescription drug benefits to senior citizens is dead before its arrival in Congress, Sen. Charles Grassley said Wednesday. Grassley ... said there is little congressional interest in setting up Bush's \$48 billion 'Immediate Helping Hand' program."***

Then as he sent up his budget, the President showed his lack of priority for adequate prescription drug coverage for seniors by only setting aside \$153 billion in his ten-year budget for prescription drugs and Medicare "reform." The \$153 billion is less than the cost of last year's Republican prescription drug bill (\$159 billion over ten years), and the price of prescription drugs has only increased. Furthermore, key Republicans have dismissed the \$153 billion figure for a prescription drug benefit as completely insufficient. Indeed, on April 3, Senate Republicans all voted for an amendment to the budget resolution that doubled the amount of money that should be set aside for possible use for prescription drugs.

He has failed because his proposals have been completely inadequate. Of course, the Bush tax cut has nothing to work with in providing a real prescription drug benefit.

To restart his efforts, however, he has come back with yet another proposal that does little for seniors, while making any prescription drug coverage contingent on Medicare privatization. On Thursday, July 12, President Bush held a press conference in the Rose Garden where he unveiled eight vaguely-worded “principles” that he said should guide Medicare reform and also announced a new prescription drug discount card program for Medicare beneficiaries, to be operated by private pharmacy benefit managers.

The discount program is yet another effort on the part of the Bush Administration to stop the enactment of real prescription drug coverage. These discounts are already available to seniors, and will save seniors little. Certainly, they are no substitute for a real prescription drug benefit. Discount cards do not provide insurance against the high costs of prescription drugs. Their discount card proposal is another meaningless proposal that protects the pharmaceutical industry rather than the elderly and disabled persons who depend on Medicare. Like the Helping Hand proposal, this plan is being met with much criticism – even Republicans. Health Subcommittee Chairman Michael Bilirakis, R-Fla., raised questions about the drug discount care, which the administration is implementing on its own authority. “We’ve heard from our pharmacies.... that the burden of the discounts will fall on them.” (*Congress Daily*, 7/27/01) In fact, a number of the pharmacists lobbying groups, the National Association of Chain Drug Stores and the National Community Pharmacist Association, filed lawsuits to block the Bush plan, alleging the it was created in “secret meeting.” (*National Journal*, 7/21/01)

Of more concern, however, is that the President proposes to hold a prescription drug benefit hostage to controversial changes in current Medicare coverage of hospital and doctor bills. The President fails to put real money behind a prescription drug benefit and includes radical reforms that could undermine Medicare and force seniors into HMOs. As Energy and Commerce on Health Subcommittee Ranking Member Sherrod Brown has pointed out, the Bush principles for overhauling Medicare “conceal a scheme for the privatization of Medicare.” Bush referenced support for a premium support proposal that caps Medicare payments to HMOs and fee-for-service Medicare based on a national average, which is estimated to increase premiums for traditional Medicare between 25% and 47%.

## ***Republicans Have Long Opposed Medicare***

Bush’s seeming embrace of Medicare reform that undermines the promise of Medicare, follows the long GOP tradition of opposing Medicare. Just look what GOP Leaders have said over the years:

As Former Speaker Gingrich once put it: Medicare would “wither on the vine because we think people are voluntarily going to leave it.” (*Los Angeles Times*, 10/26/95)

And Dick Armey - the number 2 Republican in the House - has called Medicare ‘a program I would have no part of in a free world’ He has gone



on to say that he “deeply resents the fact that when I’m 65 I must enroll in Medicare.” (*Chicago Tribune*, 7/11/95)

And the Bush Administration shares this view. Apparently, Treasury Secretary O’Neill, one of the Trustees of Social Security, does not support the program. Here’s what he has had to say:

"Able-bodied adults should save enough on a regular basis so that they can provide for their own retirement and, for that matter, health and medical needs," he says.

Treasury Secretary O’Neill  
& Trustee of the Social Security Trust Fund  
(*Financial Times (London)*, 5/22/01)

### ***Pharmaceutical Industry Spent Millions and Have Special Access to Bush Administration***

The fact that President Bush and congressional Republicans are embracing a budget with a failed prescription drug plan comes as no surprise. That is because the pharmaceutical industry is a key ally of President Bush and congressional Republicans and they oppose a real Medicare prescription drug benefit for fear it would endanger their record profits.

Bush has chosen to represent the special interests that contributed to his campaign – rather than the interests of ordinary families. Indeed, in the 2000 presidential bid, among Bush’s key campaign backers was the pharmaceutical industry. They gave and raised almost \$1.4 million to get him elected and into office. In fact, according to the Center for Responsive Politics, Bush was the top recipient of pharmaceutical money. This total includes \$449,333 in contributions to his presidential campaign, and \$950,000 to the Bush Inaugural Committee.

Indeed, drug companies have been allies of the Republican Party for years -- making major campaign contributions to GOP candidates and party committees. Overall the pharmaceutical industry gave Republicans almost **\$18 million** in the 2000 election cycle – nearly 70% of all their congressional campaign contributions.

Companies that are members of the Pharmaceutical Manufacturers of America (PhRMA) contributed more than \$700,000 to the Bush campaign. They made PAC and soft money contributions totaling \$12.5 million to Republicans in 2000, 83% of their contributions. (**Common Cause**) PhRMA was one of the biggest contributors at last month’s congressional salute to Bush, giving or raising at least \$250,000 to help elect GOP lawmakers next year. (*Washington Post*, 7/21/01) PhRMA’s President, Alan F. Holmer, was even seated on the dais with President Bush and Republican congressional leaders.

PhRMA is willing to spend whatever it takes to stop a real Medicare prescription drug benefits. Citizens for Better Medicare was established by PhRMA in 1999 to wage an aggressive campaign on prescription drugs. And that they did. The group spent an estimated \$65 million in the 2000 election cycle fighting the Clinton Administration's proposal to extend a prescription drug benefit to Medicare. (**Common Cause**) According to the Brennan Center for Justice, Citizens for Better Medicare spent \$7 million on advertisements that aired between June 1 and October 8, 2000 touting a Medicare proposal similar to the Bush plan on Medicare, but not mentioning Bush by name.

These contributions are part of a special relationship between the Bush Administration and the pharmaceutical industry. The industry has had special access to top Administration officials as they have worked on this issue – sometime in flagrant disregard of government ethic rules.

For example, senior Bush advisor Rove met with pharmaceutical industry representatives, while continuing to own nearly \$250,00 worth of stock in two drug companies. Specifically, he met on June 5 with Alan Holmer, the president of PhRMA, and former Rep. Vin Weber, a lobbyist whose clients include PhRMA. They reportedly discussed making prescription drug coverage part of Medicare Reform, emphasizing the industry view than any program be managed by private health plans rather than the government. (*Washington Post*, 7/21/01) At the time, Rove owned 1,410 shares of Johnson and Johnson and 2,249 shares of Pfizer Inc, both members of PhRMA. Government ethics rules prohibit federal officials from taking part "personally and substantially" in a "decision, approval, disapproval, recommendation, or the rendering of advice" on any matter in which he has a financial interest.

Earlier this year, Holmer and a few industry leaders met privately with Health and Human Services Secretary Tommy Thompson on Medicare reform and prescription drug coverage.

Not only has the Bush Administration and Republicans raked in funds for their campaign coffers, but they have also appointed people representing the pharmaceutical industry as key advisors and to key posts in the Administration. Most prominently, Mitchell Daniels, former senior vice president for Eli Lilly, one of the world's leading pharmaceutical companies, serves as Bush's budget director. The Center for Responsive Politics said that Daniels' appointment as Budget Director "should make [Eli] Lilly happy." ([www.opensecrets.org](http://www.opensecrets.org); *USA Today*, 3/7/01)

## **Environment**

Almost from the very first day he took office, President Bush has been rolling back environmental protections and waging a war on the public lands and public health. Much of what the president has done is to undo long-fought-for protections of our water, forests, and air established by the Clinton administration. In case after case, Bush has ignored the will of the people, scientific data and the rule-making process to unilaterally wipe out these critical protections. Why has he done this? Each time it's clear Bush is operating at the behest of his big business contributors who feel the environmental rules interfere with their profit goals. Given that Bush has sided with big business on the environment, it is no wonder that most Americans trust Democrats over Bush on environmental issues 52% to 15%. **(NBC/Wall Street Journal Poll, 6/25/01)**

### ***Arsenic***

Despite a nationwide outcry, President Bush isn't budging on his reckless decision to revoke a Clinton-era rule lowering the arsenic-in-drinking-water standard to 10 parts per billion (ppb). The current, outdated standard of 50ppb dates back to 1942. The 10ppb standard was issued this past January after decades of studies, public comment and debate. In 1999, a National Academy of Sciences (NAS) study recommended lowering the arsenic standard to 10ppb "as promptly as possible." (NAS study, 1999) The new standard would provide additional protection for 13 million Americans against the long-term effects of arsenic such as cancer, cardiovascular disease, diabetes and neurological disorders.

President Bush yanked the 10ppb rule under pressure from special interests who contributed generously to his presidential campaign. These interests include mining and chemical companies which gave nearly \$9 million to Republican candidates in the 2000 election cycle. That included \$764,182 directly to the Bush campaign. Another group that pressured Bush on arsenic is the American Wood Preservers Institute. The forestry products industry gave Bush \$304,250 in campaign donations during the 2000 cycle. **(Center for Responsive Politics)**

Bush's action on arsenic is so out of step with the American public that the House has already voted against it. On Friday July 27<sup>th</sup>, Democrats were joined by moderate Republicans to pass an amendment, sponsored by Rep. David Bonior (D-MI), preventing the Bush administration from weakening new arsenic standards for drinking water. The vote was 218 to 189 in favor of the amendment. Meantime, the EPA is now considering a range of new arsenic standards and inviting additional public comment on the subject. This is an outrage and an unnecessary delay tactic that puts the lives and the health of America's families at risk.

### ***Global Warming/Kyoto***

Perhaps President Bush's most egregious failure as a world leader has been on the issue of global warming. Early in his term Bush rejected the Kyoto protocol, the world treaty to reduce global warming, calling it "dead" and "fatally flawed." Bush's

unilateralist approach has angered foreign leaders and prompted charges of isolationism.

The U.S. withdrawal from the treaty was a calculated move by Bush designed to trigger the collapse of talks and ultimately kill the protocol. But Bush's gamble backfired as the other nations, including Japan, met in Bonn, Germany last week and forged a global consensus agreement on the Kyoto protocol. Bush sent a representative but failed to offer an alternative to Kyoto even after Bush had already delayed the Bonn talks once. Now Bush is suggesting he'll have an alternative plan ready by October when the next round of Kyoto talks are held. But any alternative Bush offers will likely involve voluntary, not mandatory, greenhouse gas emission reductions.

Stinging criticism of Bush's inaction on global warming has come from many quarters, both at home and abroad.

"the world's biggest emitter of greenhouse gases cannot stick its head in the sand on this issue without compromising its capacity for international leadership." (*The Washington Post*, 7/26/01)

"Bush's withdrawal from the Kyoto protocol . . . signifies not only an unrealistic indifference to the scientific consensus on climate change and its remediable causes, but also an arrogant disregard for the views of America's closest allies." (*Boston Globe*, 3/30/01)

"Abandoning the Kyoto protocol would mean postponing international action to combat climate change for years and we are already late." - Kjell Larsson, Swedish Environmental Minister

Bush's lack of leadership on global warming is especially shocking in the wake of a report commissioned from the National Academy of Sciences. That report confirms what the United Nations Intergovernmental Panel on Climate Change concluded earlier this year - that global warming is real and man-made pollution is a significant contributor.

Additionally, recent polls show Bush is way out of the mainstream when it comes to global warming. In a *New York Times*/CBS poll, a whopping 72% of respondents said he needs to take immediate steps to address the problem and more than half believe the United States should honor the Kyoto protocol. (*New York Times*, 6/21/01) An even more recent poll by Gallup confirms these numbers. It shows 51% of Americans disapprove of Bush's decision to withdraw support for the Kyoto protocol. (Gallup poll, 7/26/01)

So why is Bush ignoring the science, our allies and the will of the American people when it comes to global warming? Perhaps it's because he's looking out for the financial interests of his buddies in pollution-heavy industries. It turns out the Energy and Natural Resources sector, the largest producer of greenhouse gas emissions, gave the Bush campaign \$2,866,923 in the 2000 election cycle. (Center for Responsive Politics)

## CO2

President Bush's inaction and lack of leadership on global warming was first highlighted when he reversed a campaign pledge to require the mandatory reduction of CO2 emissions. CO2 is the dominant greenhouse gas and the primary contributor to global warming. During his campaign for the presidency, Bush supported the mandatory reduction of four primary air pollutants: sulfur dioxide, nitrogen oxide, mercury and CO2. But then, as president, Bush reversed himself in a March letter to several Republican senators.

It was a Bush flip-flop that puts the United States and the entire planet at risk and represents another windfall for special interests and big contributors to the Republican party and the Bush campaign coffers. Specifically it rewards power plant operators, the oil and gas industry and some utilities - all major emitters of CO2. The oil, mining, electric utility and railroad industries donated and raised at least \$1,950,568 for Bush overall. Of all candidates in the 2000 election cycle, Bush received the most money in direct contributions from the electric utility and mining industries. **(Center for Responsive Politics)**

According to *Newsweek*, the Bush flip-flop came after two weeks of ferocious lobbying by Thomas Kuhn the head of the lobbying arm of the electric-utility industry. *Newsweek* also reported that during the campaign Kuhn encouraged electric executives to write \$1000 checks to the Bush campaign and to include on those checks a "tracking code" devised to "insure that our industry is credited" for its contributions. *Newsweek* concludes that "Kuhn's efforts appear to have paid off, big time." **(Newsweek, 3/26/01)**

## Roadless

Another Bush assault on the environment came when the president suspended a rule that protected nearly 60 million acres of national forests from logging and road building. Bush's action was a direct attack on President Clinton's conservation legacy. The road-building ban was a heroic act designed to preserve America's wild beauty for generations to come. Most Americans support the ban to protect the forests for conservation and public uses, but it's opposed by the timber industry and others because it prevents them from going in, building roads and clear-cutting trees.

Bush had an opportunity to do the right thing and defend the road ban in federal court, but instead Bush administration lawyers sabotaged the case by saying the regulation is flawed and needs to be amended on a forest-by-forest basis. Now, the Bush administration is going even farther ditching all of the work and public input that went into the original rule and starting anew. On July 6<sup>th</sup>, the Department of Agriculture announced it's reopening public comment for two months and will try to come up with an alternative rule.

Environmentalists say this new rule-making process is further indication of the Bush administration's intention to bulldoze the forest protection plan. "This is their next step in gutting the roadless policy," said Marty Hayden with Earthjustice. Jane Danowitz with

Heritage Forests Campaign added: “This just looks like a page right out of Big Timber’s playbook.” (*The Washington Post*, 7/7/01)

Of course, Bush owes Big Timber some big favors. The forestry and forest products industry gave Bush \$304,250 during the 2000 election cycle and more than \$6.8 million to Republicans overall. Other opponents of the road ban include the oil and gas industry, which gave Bush more than \$1.8 million, and the mining industry which donated \$205,696 to Bush in the 2000 cycle. (Center for Responsive Politics) That’s big money and now these special-interests are ready to cash-in on their investment. In turn, the Bush administration is ready and willing to make sure these industries get a good return on their investment.

## **Campaign Finance Reform**

Bush and Congressional Republicans have failed to be the reformers with results that Bush promised – particularly when reform means reducing the influence of big money special interests. The Republican congressional leadership has been the main obstacle to passing campaign finance reform, but, President Bush has also refused to lead on campaign reform. At best, he has been complicit with the GOP Leadership – sitting idly by as they work to kill reform. At worst, Bush at crucial times issued principles for campaign reform that set back the goal of passing campaign reform.

The reason that Republican leaders are adamantly opposed to campaign reform: special interests. Republican leaders have mastered the art of cashing in on the legislative favors that they dish out to their industry friends. And campaign finance reform – ending the unlimited contributions from corporations and other special interest – threatens the core of this special relationship.

### ***The Past is Prologue: GOP Congressional Leadership Continues to Block Reform***

Since the Republican takeover of Congress in 1995, Republicans have been determined to kill campaign finance reform and, so far, have succeeded. In both the 105<sup>th</sup> Congress and the 106<sup>th</sup> Congress, Democrats and moderate Republicans were successful in passing real campaign finance reform in the House (the “McCain-Feingold/Shays-Meehan” bill) – both times over the fierce opposition of the House GOP leadership. And yet, both in 1998 and 1999, the Senate GOP leadership was successful in killing the bill through a Republican led and supported filibuster.

However, in 2001, prospects looked much better. Senator John McCain had brought campaign reform to the forefront through last year’s presidential run and this Spring accomplished a major victory for real campaign finance reform. The primary obstacle to campaign reform was overcome – Senate Republicans. After years of Republicans in the Senate killing campaign reform, Sens. John McCain (R-AZ) and Russ Feingold (D-WI) with a bipartisan majority passed S. 27, the McCain-Feingold bill. Through

perseverance, they were able to win an agreement from Senate Majority Leader Lott to have campaign reform on the Senate floor. On April 2<sup>nd</sup>, after two weeks of amendments, the Senate passed a modified version of McCain-Feingold by a vote of 59 (47 Democrats and 12 Republicans) to 41 (3 Democrats and 38 Republicans).

Of course, that defeat did not dampen the resistance of Senate Republican Leaders. Then-Senate Majority Leader Trent Lott refused to send the Senate-passed campaign finance measure to the House. While the bill passed the Senate on April 2, a month and a-half later, a bipartisan majority had to vote to rebuke Lott for failing to send the bill to the House and to get him to move.

But of course, it is not just the Senate Republican leaders standing in the way of reducing money in politics. House GOP leaders have always opposed campaign reform, but in the past let it go – knowing that Sens. Lott and McConnell had the votes to filibuster the measure. This year, they knew it was up to them to insure that the flow of special interest money could continue, and prevent President Bush from having to make a difficult political decision.

In fact, Majority Whip DeLay earlier this Spring had promised to use whatever tactics necessary to kill the bipartisan campaign finance reform bill passed by the Senate, and apparently did just that.

DeLay: I'll work as hard as I can to beat this [McCain-Feingold/Shays Meehan campaign finance bill].

Russert: But you'll use any tactic – parliamentary, legislative, whatever?

DeLay: You bet I will. I'll try anything I can.

(Meet the Press, 3/25/01)

Two weeks ago, Republican House leaders successfully derailed campaign finance reform – at least for a while. Knowing that the House was on the verge of passing the Shays-Meehan bipartisan campaign reform bill, the Republican Leadership wrote a rule designed to kill campaign reform. They engineered the demise with a rigged rule that denied a fair, up-or-down vote on the Shays-Meehan bill to end the federal soft money system. The Republican Leadership resorted to these parliamentary tactics in order to avoid responsibility and outrageously claim that reformers killed campaign reform. Reformers on both sides of the aisle rightfully rejected this rule – demanding instead a fair up-or-down vote on the only real campaign finance bill on the table – the Shays-Meehan bill.

Since the demise of the rule, the House GOP leadership has made clear that they have absolutely no intention of bringing campaign finance reform back to the Floor this year!

### ***President Bush's Failure of Leadership on Campaign Reform***

Rather than demonstrating leadership on this issue, Bush has been also an impediment to passing campaign reform. For example, on March 15, President Bush issued a set of weak "principles" on campaign "reform" – which on issue after issue were sharply

divergent from the McCain-Feingold bill. As a *New York Times* editorial (3/16/01) pointed out:

***“Mr. Bush’s Reform Subterfuge”***

***“Yesterday President Bush issued a set of absurdly weak ‘principles’ to govern changes in the fundraising laws that would do virtually nothing to stem the flow of money. ... With these steps, Mr. Bush would preserve the unbridled fundraising that has corrupted American politics. Mr. Bush’s actions are all the more disappointing because of his oft-repeated campaign pledge to restore ‘honor and integrity’ to Washington.”***

Similarly, following is the reaction of Fred Wertheimer of Democracy 21, a public interest group in favor of limiting money in politics, to the Bush “principles” announced on March 15:

***“This is not a proposal to reform the campaign system. It’s a proposal designed to defeat the McCain-Feingold soft money ban legislation.”***

Then, in July the moment of truth arrived (the Senate had passed the measure and the House was on the verge of sending the measure to the President’s desk). Rather than supporting the bipartisan reform measure and calling on fellow Republicans to support it, Bush did absolutely nothing. Bush had told GOP leaders “earlier that he was reluctant to spend any political capital on campaign finance reform.” Of course, Speaker Hastert asked Bush “to make a few critical calls” to Republicans leaning toward voting for the Shays-Meehan bill. “Bush begged off, simply telling Hastert, ‘good luck with that.’” (*Roll Call*, 7/26/01)

Hence, President Bush’s contribution to the campaign finance reform debate has been a complete failure of leadership. Earlier this year, he set it back – rather than to move it forward. Then, he conspicuously absent as the House began to consider the bill. Now is the time for him to step up to the plate for the American people and strongly support the Shays-Meehan/McCain-Feingold bill.

## ***Republicans Oppose Reform to Protect their Relationship with Big Money***

That the House and Senate GOP leadership and President Bush are siding with their big-money contributors instead of with the American public on campaign finance reform comes as no surprise.

***“Take away ‘soft money’ and we wouldn’t be in the majority in the House and the majority in the Senate and couldn’t win back the White House. Hell’s going to freeze over first before we get rid of soft money.”***

Sen. Mitch McConnell, *Washington Post*, 4/11/99



Republicans are dependent on massive contributions from their wealthy friends and special-interest allies – and therefore do not want reform. For example, in the 1997-1998 election cycle, the Republican party collected \$416 million in campaign contributions – whereas the Democratic party collected \$253 million. In other words, the Republican party collected 65% more than Democrats. Similarly, in the 1999-2000 election cycle, the Republican party collected \$715 million in campaign contributions – whereas the Democratic party has collected \$520 million. In other words, the Republican party collected 38% more than the Democrats.

And now with President Bush in office, they expect to cash in even more, and have. In the first six months of 2001, the Republican party committees have raised a record total of nearly \$112 million – 83% more than the Democratic party committees. In fact, the Republican National Committee raised \$23.9 million alone at a May black-tie gala featuring President Bush. Republicans want to be able to continue to cash in as they legislate on behalf of their special interest big money friends, and killing reform is the only way to do that.

## Progress Report for President Bush: Putting Special Interests First

<b><i>Bush Priorities</i></b>	<b><i>Grade</i></b>	<b><i>Comments</i></b>
Education	Incomplete, Past Due	Said this was his top priority, but instead has made tax cuts and the energy plan his main focus. As a result, education bill is lingering in Congress. He has shortchanged funding for education programs in order to pay for the huge tax cut for the wealthy.
Tax Cut for Middle-Income Working Families	F, Overdue	Would be able to enact a fair and fiscally sound tax plan if he would work in a bipartisan way, but instead played hardball to push a huge tax cut for the wealthy contributors and businesses who financed his campaign. Specifically, businesses that are part of the Tax Reform Coalition gave nearly \$400,000 to the Bush campaign.
Military	F	Last summer said "Help is on the Way" but Bush failed to request supplemental funding for the military until the end of May, only after his excessive tax cut proposal had been enacted. This request – as well as the President's request for FY 2002 defense spending which cut the request by the military in half – was roundly criticized by the military leadership as woefully inadequate to meet the pressing needs of our men and women in uniform.
Social Security	F	Set up a strictly pro-privatization Social Security Commission to enact a risky privatization scheme that would divert trillions from Social Security and require benefit cuts. Bush has done this both because Republicans have long opposed Social Security, and because the financial services industry that stands to make billions is a big campaign contributor to Bush.

Medicare Reform/Prescription Drugs	F	Has announced principles for “reform” to privatize Medicare and force seniors into HMOs along with private prescription drug discount cards to stave off a real Medicare prescription drug plan. Earlier, put forward a temporary placebo prescription drug plan that even Republicans declared dead on arrival on behalf of the Pharmaceutical Industry, which contributed \$1.4 million to the Bush campaign and \$17.8 million to Republicans
Faith-Based Initiative	D	Scaled back version of his plan narrowly passed the House, only after conceding that the plan would have to undergo even more changes to address discrimination in order for this plan to make it into law. However, because of the tax cut, there is no ability to pay for it now.

## Top 25 Bush Outrages

1. Bush tax cut plan for the wealthy: Under Bush's tax plan, 60 percent of the tax cuts go to the top 10 percent of taxpayers, while the bottom 60 percent gets only 12 percent of the tax cut. The richest one percent of taxpayers get 100 times more tax relief than do middle income taxpayers. The richest one percent of taxpayers get more than 1000 times more tax relief than do the poorest taxpayers. For most taxpayers, the Bush tax cut amounts to about 70 cents a day. Furthermore, the tax cut promises to bust the budget surplus and result in a raid on Medicare and Social Security. (Citizens for Tax Justice, 2/27/01)

2. Medicare & Social Security Trustee Thinks Seniors Should Go It Alone: Treasury Secretary O'Neill & Trustee of the Social Security and Medicare Trust Fund says, "Able-bodied adults should save enough on a regular basis so that they can provide for their own retirement and, for that matter, health and medical needs." (*Financial Times (London)*, 5/22/01)

3. Help is on the way?: During the Presidential campaign, George W. Bush and Dick Cheney repeatedly claimed to cheering troops that "help is on the way;" that a Bush Administration would make military funding and troop quality of life a top priority. But action -- or inaction in this case -- spoke louder than words. Despite his rhetoric President Bush failed to request supplemental funding for the military until the end of May, only after his excessive tax cut proposal had been enacted. This request -- and the President's subsequent request for FY 2002 defense spending -- was roundly criticized by the military leadership as woefully inadequate to meet the pressing needs of our men and women in uniform.

4. Black Lung Protection blocked: Bush administration lawyers convinced a federal judge to suspend new black lung regulations that went into effect in January. The regulations were designed to streamline a complicated process of claiming black lung benefits with the Department of Labor. During the campaign Bush appeared with black lung victims, but once in office sided with his Big Energy campaign contributors.

5. Bush Budget cuts renewables: In a time of major energy concerns for the country, President Bush's budget cut \$700 million from the Department of Energy, much of it coming from renewable energy research and environmental clean-ups.

6. Repeals worker safety rules: The first major bill Bush signed repealed regulations on ergonomics designed to prevent repetitive motion injuries in the workplace, which disproportionately affect women workers. The repeal came under heavy pressure from business interests that had poured millions into Republican coffers.

7. Flip-Flop on Clean Air/CO2 pledge: After promising during the campaign to regulate CO2 emissions from power plants, Bush reversed himself under pressure from Big Energy interests that contributed heavily to his campaign. In doing so, he overruled EPA administrator Christine Whitman and defied other members of his cabinet who are concerned about global warming.

8. Reinstates “Mexico City” policy: Shortly after taking office Bush reimposed a ban on federal funds for overseas family planning groups that perform or even discuss abortions. Bush’s action reinstated a ban first issued by President Reagan in 1984 and later reversed by President Clinton.

9. Bush closes AIDS, minority and women’s offices: Under Bush, 3 key White House offices were closed and/or altered in a display of truly uncompassionate conservatism. The Office of National AIDS Policy was eliminated, then under pressure that decision was reversed. The One America office on race was also reconstituted under pressure, but not in its original form. And Bush permanently closed the White House office on Women’s issues.

10. Bush rejects election reform funds: Less than 100 days after the Supreme Court declared him president, Bush rejected a request from the FEC for \$5.5 million over two years to beef up its Office of Administration. The money would have been used to develop standards that ensure elections are run properly.

11. Campaign backdrops fall under budget scalpel: During his campaign for president, Bush went to a Boys and Girls club to talk about how his budget would help children. But his budget cuts all federal funding (\$60 million) for Boys and Girls Clubs. A week after Laura Bush kicked off a national campaign for America’s libraries, President Bush proposed cutting federal spending on libraries by \$39 million. And one month after visiting a Children’s hospital in Atlanta, the Bush budget cut funding for a program that trains doctors for children’s hospitals.

12. Budget Director Paves the Way for Raiding Medicare: “There is not a surplus in Medicare,” [Budget Director Mitch] Daniels said. The fact is that there is a Part A Trust fund in Medicare that contains the payroll tax that pays seniors’ hospital bills and it is currently running a surplus. The Administration is playing numbers games arguing that there is a deficit in Medicare in order to justify raiding the Medicare trust fund even more. (*St. Petersburg Times*, 7/17/01)

13. Energy efficiency standards rolled-back: At a time when California was feeling a major energy crunch and the entire country was concerned about energy prices, Bush nixed rules that would require new central air-conditioners to be 30 percent more efficient. Instead, in an effort to placate major campaign contributors, Bush said the requirement should be only 20 percent more efficient. This is a significant difference that means dramatically less energy saved.

14. Damn the wildlife, drill the Arctic: A centerpiece of the Bush energy plan calls for drilling for oil and gas in the Arctic National Wildlife Refuge. Often called “America’s Serengeti,” this pristine Refuge is home to hundreds of animal species including polar bears. Bush wants to overturn 30 years of environmental and wildlife protection for a supply of oil the U.S. Geological Service estimates wouldn’t be available for ten years. And even then the amount of recoverable oil would be insignificant.

15. Proposes drilling in national monuments and parks: Under Bush, no public lands are safe from oil derricks and natural gas wells. In an interview with the *Denver Post* in

March, Bush said there was room in the nation's national monuments for oil drilling. Later, Bush said his administration would look at "all public lands" for energy development. Bush also supports drilling for oil and gas in the Gulf of Mexico.

16. Bush slams doors on Patients' Bill of Rights: In February, as Democrats and Republicans prepared to unveil their bipartisan, compromise Patients' Bill of Rights, President Bush pulled leading Republican Rep. Charlie Norwood into the White House in an attempt to stop him from sponsoring the compromise bill. Then he issues a veto threat of this compromise legislation. Then on August 1, Bush yanks Norwood back to the White House to pressure him to accept a plan that the Dr. has not even seen.

17. Treaty-phobia and global isolation: Since entering office, President Bush has damaged America's leadership role in the world through an outright attack on several international agreements. Our allies around the world were stunned when the President's national security advisor stated -- without warning -- that the **Kyoto climate change agreement** that the U.S., had worked on for years with other nations was "dead in the water" as far as this administration was concerned. This was quickly followed by the President's announcement that the United States intends to "move beyond the constraints" of the 1972 **Anti-Ballistic Missile Treaty**, the cornerstone of nuclear stability and arms control, in order to build an as-yet-unproven missile defense shield. Additionally, the administration has backed out of the **biological weapons convention** and watered down the **convention against small arms trafficking** at the request of the U.S. gun lobby.

18. President rolls Arsenic standard back to 1942: Pressure from chemical and mining interests resulted in the Bush roll-back of a new, stricter standard for Arsenic in drinking water. With that action, the president decided to ignore the universal recommendations of scientists and instead use the standard developed in 1942. Scientists warned the result could be a cancer risk in some communities of 1 in 100.

19. Salmonella burger for my child, please: In April, the Bush administration was caught with Salmonella on its hands. It proposed halting tests for Salmonella in the beef served to our nations' schoolchildren in their school lunches. This was pure pandering to the American Meat Institute which gave 90% of its contributions to the Republicans last year. It wasn't until watchdogs shined a light on this plan that the Bush administration scurried away from this reckless decision and announced the testing would continue.

20. Whoops, there goes your tax cut: Always looking for a way to justify his skewed, economically risky tax plan and always looking to dodge the problem of skyrocketing energy prices - the president suggested a good reason to cut taxes was to put more money in people's pockets so they could pay their outlandish energy bills. Translation: I'll cut your taxes so you can pass that cash onto my buddies in the Big Energy industry.

21. The Bush Big Oil and Big Electricity Plan: The Bush energy plan looks like Exxon Mobil's annual report and reads like it was written by Big Energy interests. The plan stresses production, including drilling in environmentally sensitive areas. It reads like a special interest profits protection program, not a balanced plan to give people immediate relief and long-term protection. In fashioning this report, the president shut

out environmental groups and gave up the reins to the former energy lobbyists and company officials that dominate his administration.

22. What are they so afraid of? The Cheney energy task force: continues to refuse to cooperate with a GAO investigation into the crafting of the Bush energy plan. It begs the question - what exactly is the White House trying to hide? Most likely the unprecedented influence that Big Energy had on crafting the energy plan. With an unprecedented number of former Big Oil and Big Energy officials holding positions of power in the Bush administration, it's apparent that Big Energy interests dominate the White House inside and out.

23. Roveing conflict of interest: Despite President Bush's admonishment early in his administration that he expected his staff to avoid "even the appearance of problems," top political adviser Karl Rove can't seem to keep his nose clean. It turns out Rove met with top officials and lobbyists from companies and industries in which he owned stock about matters before the administration directly affecting those companies. He also had a financial interest in several Big Energy companies as he played a key role in crafting the administration's energy plan.

24. Bush halts DOJ probe of Big Energy firms: In June, the *Wall Street Journal* reported that the Bush administration had put a temporary halt to a DOJ probe of dozens of Big Energy companies accused of violating the Clean Air Act. Many of these companies had already agreed to pay billions of dollars in fines for their violations, but Bush froze those cases effectively handing over billions of dollars to the heaviest polluting Big Energy firms.

25. GOP letter to taxpayers: Republicans wasted \$30.5 million in taxpayer dollars to send a Bush propaganda letter touting the president's tax cut. The letter announces the president is providing "immediate tax relief in 2001 and long-term tax relief for years to come." This may be true - unless you are one of the millions of families that do not get the tax rebate. To add insult to injury, half-a-million of these letters went out in error to people who don't make enough to qualify for tax relief under the Bush plan. The Bush tax plan promises to bust the budget surplus which will lead to a raid on Medicare and Social Security.

### **Dis-Honorable Mentions**

Talks down the economy to pass a tax cut  
Stacks deck to privatize Social Security  
Turns deaf ear to school shootings  
Nominates anti-consumer Head of Consumer Product Safety Commission  
Tubes Tobacco Suit  
Slashes disaster preparation funds just Seattle is rocked by earthquake

## **Republican Congressional Leadership is Even More Conservative than President Bush**

"I came here [to Washington] to eliminate the Department of Education. [My vote for the education bill in the House this year was just to support President Bush] I'm ashamed to say it was just blatant politics." (Majority Whip Tom Delay, *Wall Street Journal*, 7/27/01)

"I am still trying to drive the president [toward a more conservative agenda. Toward a] 'permanent realignment' [that will eternally discredit Democratic Party policies that I consider] 'socialist'. [And most important, toward building a more] 'God-centered' [nation whose government will promote prayer and worship and the teaching of values]." (Majority Whip Tom Delay, *Washington Post Magazine*, 5/13/01)

"The federal government cannot morally look the other way with respect to the destruction of human embryos, then accept and pay for extracted stem cells for the purpose of medical research. It is not pro-life to rely on an industry of death." (Majority Whip Tom Delay & J.C. Watts Stem Cell Letter, *Newsweek*, 7/16/01)

"I believe Congress should provide tax relief beyond the level currently being discussed. If these surpluses stay in Washington, the money will be spent." (Majority Leader Dick Armey, *San Francisco Chronicle*, 2/4/01)

"The Bush [tax] plan is a great beginning, but it's a floor not a ceiling." (Delay web site, 3/14/01)

"You could drill [for oil] right off my porch in Pascagoula, Mississippi." (Minority Leader Trent Lott, *Seattle Times*, 5/17/01)

"I think we ought to go and find and produce oil and gas wherever we can find it in America." (Majority Whip Tom Delay, *Reuters*, 7/16/01)

"We ought to send one back and say, look, don't be calling us ugly and then expect us to take you to the prom, because we've been paying the way for prom dates for a lot of those nations for a lot of years." (Majority Leader Dick Armey on UN's "hostile" relationship with US, *CNN*, 5/12/01)

"I don't know. I come down to the idea where I don't see where Puerto Rico should get any favorite treatment over the rest of these people. Now what have they done to get it? They sit down there on welfare and very few of them paying taxes, got a sweetheart deal. I just don't really see the equity in it, but maybe I don't understand it. (Chairman Jim Hansen on Vieques bombing range, *NPR*, 6/14/01)